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AGENCY PERFORMANCE REPORT

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

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Center for Development Information and Evaluation

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USAID Public Internet Address

<http://www.info.usaid.gov>

Development Clearinghouse

<http://www.dec.org>

Vital to U.S. national interests in the post–Cold War world is the maintenance of global economic, political, and social stability. In a world where our democratic values and respect for human rights are central to achieving our foreign policy objectives, the U.S. Agency for International Development (USAID) has played an essential role for the United States in promoting peace and stability worldwide. Managing resources averaging \$7 billion per year (as shown in figures I.1 and I.2), USAID’s focus on its mission has remained strong. The Agency has made progress in three ways. First, its development goals have helped alleviate poverty, support improvements in governance, and open economies in countries emerging from authoritarian rule. Second, it has advanced toward its goals in aiding countries in transition after civil conflict. And finally, the Agency has excelled in providing humanitarian relief to countries in crisis or suffering from natural or man-made disasters.

USAID investments over the past several years are beginning to show important progress in helping improve basic education, health standards, and governance, particularly in Africa. The Agency also has made progress in helping mitigate the impact of the HIV/AIDS pandemic—which is far more than a public health problem. It threatens the very economic and social survival of the continent. USAID’s past emergency assistance to communities emerging from internal conflict has added to the Agency’s capability and

knowledge base on how to address the long-term process of reconciliation and reconstruction, particularly in the Balkans. Opening markets, promoting institutional transparency and human welfare, and creating vibrant civil societies in the former Soviet states—all these initiatives continued to progress well in most USAID-assisted countries in 1999, despite significant obstacles and difficult policy environments. The Agency remains a central source of technical and humanitarian assistance, as needed, to the countries of Latin America and the Caribbean. USAID has played a critical role in supporting transitions in Indonesia, Jordan, and Morocco while continuing to contribute to global economic integration and competitiveness in other countries in the Asia and Near East region. These are only a few of the areas where the Agency saw programmatic progress during 1998–99.

This 1999 Agency Performance Report (APR) presents an overall picture of Agency performance by synthesizing the progress seen in the specific programs in countries and regions benefiting from USAID assistance. The Agency’s six program goal areas and one management goal organize this report. They are economic growth and agricultural development; democracy and good governance; human capacity development; population, health, and nutrition; environmental protection; humanitarian assistance; and management strengthening.

Introduction

Toward Global Stability, USAID’s Essential Role

Figure I.1. Fiscal Year 1998, by Strategic Goal, All Accounts (in \$millions)

	CSD/DA			Economic Support Fund			SEED			New Independent States			IDA	PL 480	Total
	NOA	CO/R	Total	NOA	CO/R	Total	NOA	CO/R	Total	NOA	CO/R	Total			
Economic Growth and Agricultural Development	414.7	114.0	528.7	1,910.1	64.1	1,974.3	278.5	89.4	368.0	464.7	153.8	618.5		161.7	3,651.2
Democracy and Good Governance	141.9	17.7	159.6	141.0	5.2	146.2	75.5	37.2	112.7	75.0	14.3	89.4			507.8
Human Capacity Development	124.9	16.4	141.3	14.7	1.9	16.6	11.0	4.8	15.8	6.2	0.0	6.3			179.9
Population, Health, and Nutrition	798.5	173.0	971.5	76.1	13.1	89.3	3.4	23.2	26.5	24.8	16.4	41.2			1,128.6
Environment	244.0	46.2	290.2	96.0	73.5	169.5	12.4	2.4	14.7	35.7	19.4	55.1			529.5
Humanitarian Assistance (IDA, PL 480 only)			—			—			—			—	190.3	501.6	691.9
Total	1,724.0	367.3	2,091.3	2,237.9	157.9	2,395.8	380.8	156.9	537.7	606.5	204.0	810.5	190.3	663.4	6,688.9

Notes:

CSD/DA—Child Survival and Disease/Development Assistance

IDA—International Disaster Assistance

Economic Support Fund includes \$1.2 billion in EGAD cash transfer to Israel.

CSD—NOA was \$550 million.

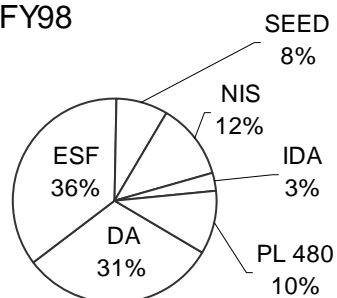
SEED—Support for East European Democracy

CO/R—Carryover/Recoveries

NOA—New Obligation Authority

USAID-Managed Resources by Account

All sectors, FY98



USAID-Managed Resources by Sector

All accounts, FY98

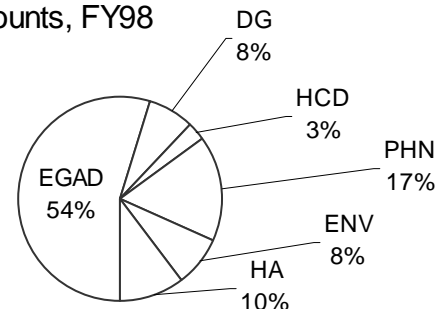


Figure I.2. Fiscal Year 1999, by Strategic Goal, All Accounts (in \$millions)

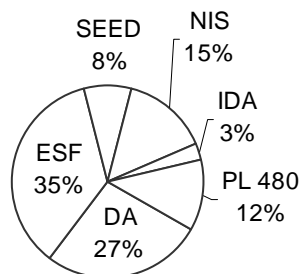
	CSD/DA			Economic Support Fund			SEED			New Independent States			IDA	PL 480	Total
	NOA	CO/R	Total	NOA	CO/R	Total	NOA	CO/R	Total	NOA	CO/R	Total			
Economic Growth and Agricultural Development	416	50	466	1,889	44	1,932	251	89	340	546	147	693		643	4,074
Democracy and Good Governance	148	25	174	165	30	195	95	26	121	118	28	145			634
Human Capacity Development	131	3	134	76	5	81	73	11	84	52	27	79			378
Population, Health, and Nutrition	846	74	920	106	17	122	8	2	10	88	10	97			1,149
Environment	248	18	266	197	70	267	3	4	8	41	15	56			596
Humanitarian Assistance (IDA, PL 480 only)													200.0	219	419
Total	1,789.0	170.0	1,959.0	2,432.0	165.1	2,597.1	430.0	131.4	561.4	843.9	227.0	1,070.9	200.0	862.0	7,250.4

Notes:

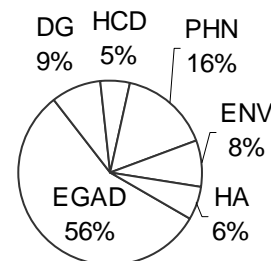
Economic Support Fund includes \$1.08 billion in EGAD cash transfer to Israel.

CSD-NOA was \$595 million.

USAID-Managed Resources by Account
All sectors, FY99



USAID-Managed Resources by Sector
All accounts, FY99



The donor community has identified USAID as a proactive, innovative proponent of performance measurement. Others are now beginning to develop systems that build on the lessons learned and shared by USAID.

The fiscal year 2001 Budget Justification (also known as the Congressional Presentation, or CP) is an important companion document to the APR. The CP organizes USAID's results not by goal but by country, regional, and global programs. Hence, to obtain details on what happened in a particular program in a specific country, the CP is the source. To obtain a broad sense of what and how USAID is doing in one of its goal areas, the APR is the source. Both the Congressional Presentation and the Agency Performance Report draw from the same basic performance information—the annual reports prepared by each USAID operating unit. The APR, however, complements program-specific information with data on broader development trends so as to provide a better sense of the larger context in which USAID is working.

It is important to note that USAID's essential role in international development is visible not only from its many field programs. The Agency is also a pioneer among donor organizations in measuring the performance and impact of our efforts and in using this information in decision-making. While we fully recognize the challenges that still remain, the donor community has identified USAID as a proactive, innovative proponent of performance measurement. Others are now beginning to develop systems that build on the lessons learned and shared by USAID.

The First Agency Performance Report Under the Government Performance and Results Act

The advances we are making toward a systematic analysis and synthesis of Agency performance were inspired by the 1993 Government Performance and Results Act. Under GPRA, all U.S. government agencies are required to develop 10-year strategic plans with specific targets and trends. Each year an Annual Performance Plan (APP) projects the annual benchmarks that will lead to the 10-year goals. An Agency Performance Report addresses the Agency's success in meeting the annual benchmarks.

The purpose, therefore, of this publication, the 1999 Agency Performance Report, is to convey to the President and Congress the Agency's progress in meeting targets set in 1997. Those targets were presented in the fiscal year 1999 Annual Performance Plan. While this is the first Agency Performance Report to which the GPRA requirements have applied, the Agency has prepared six previous annual reports.

Each Agency goal area is discussed in two ways. First, as required by GPRA, we compared actual performance against planned performance as presented in the performance tables contained in the FY99 APP. We reported and analyzed the latest available aggregated data and information.

Second, we have included in a separate section of the report examples of country-level results in each strategic goal area that contribute to achieving

our long-term goals and objectives. This expository information goes beyond the GPRA requirements. This section was added because the highly aggregated goal-level data in the tables does not adequately convey the specifics of what the Agency has supported. While the goals set forth in the Agency Strategic Plan are established centrally, decisions regarding how best to contribute to making progress toward those goals is decentralized to the front-line operating units. This field-driven approach was adopted to accommodate the diverse operating environments within which USAID pursues its mission and goals and to heighten the likelihood of local-level buy-in for the programs funded.

Another reason for discussing results from field programs more fully than envisioned by GPRA is that the aggregated data found in the performance tables does not easily differentiate information about USAID performance per se from that of others participating in the development process. While USAID plays an important role in achieving the high-level development goals set in the FY99 APP, not all changes can be attributed to USAID. The efforts of host-country governments assisted by the donor community will be critical to success in reaching those goals. The global economy and the absence of natural disasters will also heavily influence success.

Since the time that the FY99 APP was submitted in 1997, we have identified several issues that affect its usefulness as a reference point for understanding USAID's aggregate performance during 1999. While these issues are not unique to USAID, the scale of the issue may be different—given that USAID works in so many different countries, all of which have few resources and capacities to

collect consistently good-quality information. They include the unevenness of data availability and quality within and across goal areas, the limited availability of useful annual measures, and the difficulty of capturing and measuring qualitative changes.

We continue to grapple with the important issues of data availability and quality. Annual data for many of the 29 program performance indicators in the FY99 APP do not exist for all USAID-assisted countries, or even for countries where we have programs devoted to specific Agency objectives. For reasons of cost and practicality, in some countries data are typically collected only every three to five years. Therefore, the latest “actual” data reported in this APR are the average of actual data reported in the past year for some countries and “projected actual” data calculated from historical trends in other countries where data were reported at least twice.

As a result of this constraint, the Agency has found it is more useful to make annual assessments of performance by looking at the performance of individual field-based operating units against the specific targets approved in their strategic plans. This information, which is included in the Congressional Presentation, enables us to monitor performance of country-level results that are achievable and manageable within the Agency's mandate, resource levels, time frame, and decentralized programming mode.

We also continue to grapple with how to capture qualitative changes, which are often as important to program success as changes that can be measured quantitatively. Everyone knows that the development of institutional capabilities is important, but no one has developed a

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good way of measuring it. These types of results pose additional challenges for reporting in the format of an annual performance report. As a result of this constraint, the Agency encourages qualitative assessments. It also maintains, in its data base, text that explains what the numbers mean and their limitations.

There are other issues and themes that cut across countries, regions, and goal areas. These crosscutting issues clearly affect the realization of Agency goals but are difficult to isolate for measurement purposes. Examples of such issues are our concern for integrating gender considerations in activities, addressing conflict and transition, developing and strengthening the institutional framework for economic growth and better governance, and being sensitive to how government, the private sector, and civil society interact to address problems—for example, through partnerships. We continue to assess how best to present these themes in the strategic plan and annual performance plan. Thus far, USAID has chosen to address them differently depending on the salient characteristics of each issue, concern, or theme.

For example, gender issues are discussed separately under each goal chapter, where relevant. Fully integrating gender into our programming and reporting systems, rather than segregating it, is proving a more effective means to reach our goals. Restoring economic growth and democracy, fully discussed in the individual goal areas, is also discussed in the humanitarian assistance chapter, since this is much of what we do in crisis and transition countries.

While we may implement the same categories of activities in two separate countries, they may be qualitatively different. A rule-of-law activity in a crisis or transition country may have different objectives from those in a stable developing country. The same situation exists for monitoring the impact of civil society on development. While this theme receives prominence in the democracy goal chapter, Agency goal reviews this past year reaffirmed the importance of civil society as an end and means to all of the technical goal areas. But uniform measures of the impact of civil society are not feasible. Although we believe that this integration of crosscutting themes is appropriate, we recognize the need to find ways to improve the measurement of crosscutting issues.

The Agency's leadership team remains committed to implementing a planning and reporting system that both conforms to GPRA and meets Agency management needs. Significant changes are under way as a result of what we have learned from developing this Agency Performance Report. We began revising our performance goals and indicators in the FY00 APP, intensifying this effort during the development of the FY01 APP. The FY01 APP describes how we plan to collect and make use of both high-level trend (context) data and annual program data in the future. These changes will be reflected in the revision of the Agency's Strategic Plan, which is scheduled for completion by the end of fiscal year 2000. The analysis we are conducting to strengthen our GPRA planning and reporting systems and establish new performance goals is more fully described in the FY01 APP.

Performance Monitoring in USAID: Addressing Different Needs At Different Levels

As we make progress on better synthesizing and aggregating Agency performance, we will continue to use a variety of tools to track Agency performance. These tools, described in this section, have grown out of a need to ensure that we are addressing foreign policy priorities, Agency goals, country-level conditions, and congressional and administration interests. Over the past year, this package of monitoring tools has given managers an increasingly comprehensive view of Agency performance.

Operating-unit assessments. USAID's current system seeks to manage multiple country programs by balancing centrally identified priorities and limited resources. Operating units propose strategies for the countries or regions for which they are responsible, indicating both what could be attained and the resources needed. Following strategy reviews, a management agreement is reached between the operating unit and USAID/Washington. It sets forth goals and indicators for country, regional, or global programs. Operating units submit reports annually (Results Review and Resource Requests—R4s) on progress made toward meeting those goals. Budget allocations are then based on the Agency/regional strategic framework, congressional directives, program performance, need, country commitment, country development strategies, and foreign-policy considerations. Several levels of performance review culminate in the final budget allocation decision.

During this annual review of R4s, USAID considers whether each of its specific programs in countries is on track—or exceeds or falls short of expectations in delivery of planned outputs and results.

Goal area reviews. Annually there is an in-depth review of global, regional, and country trends data in each goal area. On the basis of these trends, the content and emphasis of the Agency's regional and global program portfolios is evaluated, followed by an assessment of the need for changes in the Agency's strategy to achieve long-range goals. Findings are also taken into consideration during the budget-planning process at both the regional and Agency level.

Agency assessment of country allocations. The Agency analyzes whether the allocation of funds matches country profiles of need, self-help, foreign-policy importance, commitment to reform, and progressive policies. Results of our analysis show that USAID assistance conforms quite well with these guidelines—that is, need, population size, greater political freedom, and better policies and institutional environments correlate closely with country funding allocations. Our own analysis was independently reaffirmed. That independent analysis also concluded USAID was better at matching funds to countries that could make best use of them than were other bilateral donors.

Evaluations. The Agency's evaluation system has three tiers: 1) central evaluations conducted by the Agency's central policy bureau, 2) operating-unit evaluations (both impact analysis and operational), and 3) goal-area technical analyses. Central evaluations shed light on the relationships between USAID's

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interventions and the broader development goals that the U.S. government and the broader donor community have agreed upon. They capture Agency experience and lessons learned to inform the strategic-planning and program-design process.

Operating-unit evaluations capture project-level progress and impact as well as performance issues and operational problems. A central research and reference service maintains these evaluations and makes them available to the Agency and its partners. This service facilitates the application of our accumulated experience in future planning.

Goal-area technical analyses are conducted on specialized topics and used to validate or modify program strategies.

In Conclusion

We believe this report shows the contribution USAID's programs are making to U.S. foreign policy goals related to economic prosperity, humanitarian assistance, democracy and human rights, and the global issues of health and environmental protection. Pursuant to these goals, USAID is improving the lives of millions of people in our partner countries. In addition, the Agency's initiatives to analyze and address the challenges of performance measurement have placed it at the forefront of efforts worldwide to improve the effectiveness of foreign assistance.

ABOUT THIS REPORT

The 1999 Agency Performance Report fulfills the requirements of the 1993 Government Performance and Results Act and the guidelines from the Office of Management and Budget pertaining to annual performance reports. The report summarizes and synthesizes a vast amount of information on Agency programs managed from Washington and 87 field-based operating units in seven goal areas.

This introduction notes the role USAID plays among donors in building global stability and in addressing the performance measurement challenges found in international development programs. It describes the various ways USAID monitors performance of its programs.

Each chapter of the report is devoted to one of the seven Agency strategic goals, as identified in the 1997–2007 Agency Strategic Plan and the fiscal year 1999 Annual Performance Plan. Each of the first six chapters has four sections:

I) Overview, II) USAID Strategies and Program Performance, III) Agency Objectives by Operating Units and Region, and IV) Performance by Fiscal Year 1999 Annual Performance Plan.

Section I, Overview, gives the reader background information on the strategic goal area and its importance in promoting development. It describes the benefits the American public receives from U.S. involvement in the strategic area. In response to comments from Congress about past Agency performance reports, we have also included a table showing the other donors and U.S. government agencies pursuing programs

that contribute to achieving international goals in the areas directly related to Agency objectives in each goal area.

Section II, USAID Strategies and Program Performance, summarizes the strategies pursued to achieve Agency goals and objectives. It gives examples of achievements in each strategic area reported by the Agency's operating units. This section provides insight into the heterogeneous environments within which our programs operate and the diversity of program approaches that exist to achieve objectives. Section II provides an important contrast to section IV, which addresses progress in the context of the FY99 APP performance goals. The examples of program performance in section II touch many aspects of our rich programming worldwide. In this way, it more accurately represents the significant level of progress achieved by Agency programs than does the brief discussion in section IV of *actual performance* to *planned*, based on the format used in the FY99 APP.

Section III, Agency Objectives by Operating Unit and Region, contains a table showing the distribution of field-based Agency programs by region for each Agency objective in the goal area. The relative emphasis of programs within the region as well as Agencywide reflects our use of individualized country programming in achieving Agency goals.

Section IV, Performance by Fiscal Year 1999 Annual Performance Plan, includes each of the performance tables from the FY99 APP, with the most recent data. To address GPRA require-

ments and the OMB guidance, separate subsections are devoted to the following: an analysis of performance based on a comparison of *actual* with *planned* levels of performance, achievements beyond targets, planned actions for unmet FY99 targets, revisions to the FY00 APP, and adjustments in the FY01 APP. Data reported in the performance tables are the latest available from USAID-assisted countries. Because the countries assisted by USAID are not the same from year to year (owing to such factors as country graduations), *baseline* data in the 1999 Annual Performance Report cannot be compared with the baseline shown in the FY01 APP data tables.

The annexes include valuable references on Agency reforms; country and regional programming; country-specific

economic, political, and social data sets; Agency evaluations; and the involvement of nonfederal parties in the preparation of the report. Information included in those last two annexes is required by GPRA.

For those interested in learning more about USAID, the Agency's Web site is <http://www.info.usaid.gov>. The Web site for USAID's Development Experience Clearinghouse electronic library is <http://www.dec.org>. Readers are encouraged to refer to these Web sites for the Agency Strategic Plan, Annual Performance Plans, and Agency Performance Reports. Here readers will also find the most current information about country-specific programs, statistics, evaluations, and nearly 100,000 other documents describing USAID's activities.